

CHANGES IN COLLEGE PARTICIPATION

Promise or Peril?
-- Adding the Interstate
Dimension



CALIFORNIA
POSTSECONDARY
EDUCATION
COMMISSION

Summary

This Commission Director's Report provides an overview of some unusual shifts in student participation that California public postsecondary education experienced in the early 1990s. After the participation of recent California high school graduates in public postsecondary education reached an unparalleled level of 54.4 percent in 1989, this rate plummeted to just over 51 percent -- the lowest level in decades -- in three short years. The most substantial decreases occurred at the California State University for which the participation rate dropped from 10.8 percent to 7.5 percent over that period. While in recent years the participation rate at the State University has begun to recover, it remains below its previous level. In addition, a continued decline in the participation rate at the California Community Colleges has resulted in a lower overall participation rate for public postsecondary education.

During this same period, California institutions showed a major increase in "reverse transfer" students. Between Fall 1990 and Fall 1991, the number of students transferring from the public universities to the State's community colleges increased by 12,000 students. These larger numbers of reverse transfer students also appeared in Fall 1992, after which the levels returned to their historical level. No substantial increase in community college students transferring back to the public universities has occurred in more recent years to suggest that these "reverse transfer" students returned to complete their original degree objectives.

Another major shift in college participation occurring during this period was the interstate flow of students. The numbers of students entering California for college in 1992 was 10,000 students fewer than in 1988. Most of the decrease occurred among transfer students and among students enrolling in the State's community colleges. The number of new freshmen entering and leaving the State increased by nearly 4,000 students. Some 11,500 recent high school graduates left California in Fall 1992 for four-year colleges in other states while approximately 9,200 freshmen entered California and enrolled predominantly in independent colleges and universities in the State.

These shifts were dramatic and undoubtedly related to the State's severe economic recession during this period that contributed to disruptions in the admission process, course offerings, student financial aid, as well as major increases in student fees in public postsecondary education in California. The economy is recovering as does college participation seem to be. Whether the recovery will continue or whether the State has entered a period in which volatile changes will become the norm remains to be seen.

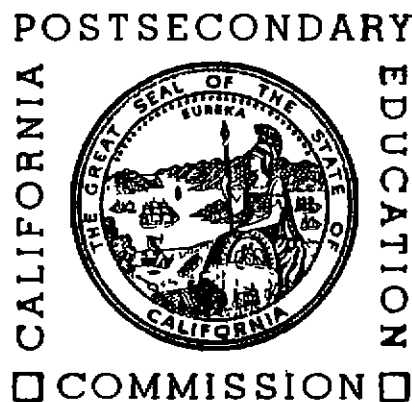
This report was presented to the Commission at its meeting on February 5, 1996. To order copies of this report (96-3), write the Commission at 1303 J Street, Suite 500, Sacramento, CA 95814-2938, or telephone (916) 445-7933.

CHANGES IN COLLEGE PARTICIPATION

Promise or Peril?

-- Adding the Interstate Dimension

*A Report by the California
Postsecondary Education Commission
Executive Director Warren H. Fox*



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1303 J Street ♦ Fifth Floor ♦ Sacramento, California 95814-2938

**COMMISSION REPORT 96-3
PUBLISHED FEBRUARY 1996**

This report, like other publications of the California Postsecondary Education Commission, is not copyrighted. It may be reproduced in the public interest, but proper attribution to Report 96-3 of the California Postsecondary Education Commission is requested

Contents

<i>Page</i>	<i>Section</i>
1	Changing Patterns of Student Participation
3	Possible Causes for Changes
3	Changing Interstate Titles of Undergraduates
5	Map 1: New Undergraduate Interstate Migration 1988
5	Map 2: New Undergraduate Interstate Migration 1992
6	Some Implications of These Changes in Student Participation
7	Map 3: First-time Freshmen Interstate Migration 1988
7	Map 4: First-time Freshmen Interstate Migration 1992
8	Promise and Peril



CHANGES IN COLLEGE PARTICIPATION

Promise or Peril?

-- Adding the Interstate Dimension

AS CORRECTLY noted by the Education Round Table, "California's emergence as one of the world's major economic powers did not occur by accident. It happened because the Golden State nurtured a workforce that was among the best educated on earth. It happened because employers knew that California, through its higher education system, could be counted on to lead the world in both technologic and industrial innovation, as well as in the creation of a large, talented, and well-trained workforce."

California's world-class system of colleges and universities (embodied in the Master Plan for Higher Education) is an important part of California's dream and its economic strength. Yet, California faces a challenging future as growth in the numbers of high school graduates seeking to continue their education is expected to outstrip public postsecondary institutions' ability to provide enrollment opportunities for them. This expectation is based on recent projections of postsecondary enrollment demand into the next century, resulting from larger classes of high school graduates and improved academic preparation of students.

Because participation trends of the early 1990s were chaotic, most of these projections are based on postsecondary participation trends prevalent in the late 1980s. However, clearer understanding of student participation over the last half decade may yield some important insights into policy options for the coming decade -- a period with the potential to be even more unstable than the recent past. In that potential lies both promise and peril.

Changing patterns of student participation

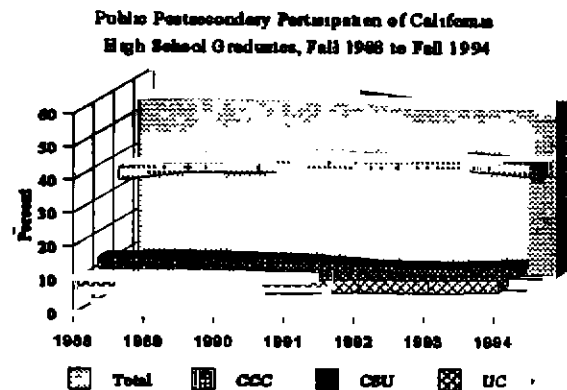
For decades, Californians provided generous fiscal support for its premier educational enterprise. Postsecondary educational participation grew to an unparalleled level by 1989 when 54.5 percent of California high school graduates were enrolling directly in one of the State's three public systems of postsecondary education. These high participation rates were at least partly the result of the relatively small size of high school graduating classes compared to the previous decade. But they also reflected progress in achieving one of the objectives of the major reform efforts of that decade -- to raise the educational preparation and participation levels of all high school graduates through encouraging them to complete a college preparatory curriculum. So, while the 1989 levels of college participation far exceeded historical norms, they were also the logical outcomes of concerted school improvement efforts.

In 1989, an aura of optimism pervaded postsecondary education. Higher education had received regular increases in support and the future was viewed as a stable extension of the recent past. This optimism extended to include the ability of the systems collectively to accommodate the tremendous increase in enrollment demand expected to be generated by an estimated 40 percent increase in the number of high school graduates anticipated by 2005. Within 18 months, however, California had entered its deepest and longest recession since the Great Depression of the 1930's. As a consequence, California's ability to support this optimistic projection evaporated.

Declining freshman participation

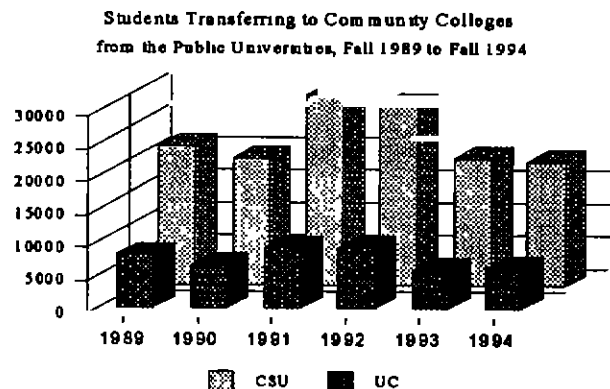
By the Fall of 1992, high school graduates' participation in public postsecondary education fell three percentage points from its level in Fall 1989 to just over 51 percent -- 9,000 fewer graduates than had enrolled as first-time freshmen in California's public institutions in 1989. The decline was steepest at the State University where the proportion of high school graduates enrolling in that sector dropped from 10.9 to 7.5 percent.

With a small decrease in Fall 1993 in the participation rate of recent California high school graduates to the State University and a small increase at the community colleges that same year, the statewide participation rate remained relatively unchanged between 1992 and 1993. In Fall 1994, however, the participation rate at the State University increased substantially while the rate at the community colleges decreased substantially. Thus, the Fall 1994 overall public college-going rate fell below 51 percent as growth in first-time freshman enrollments in public institutions failed to keep pace with increases in the size of the high school graduating class.



Reverse transfer increases

Another unusual shift in undergraduate participation also occurred at this time. In 1991 and 1992, the numbers of undergraduates transferring from California's public universities to its community colleges -- a "reverse" transfer phenomenon -- increased dramatically. Between 1990 and 1991, the number of State University students transfer-



ring to the community colleges jumped from 19,452 to 29,155 while the number of University students transferring to the community colleges rose from 6,621 to 9,140. The numbers of reverse transfers in 1992 were similar to the 1991 figures.

By Fall 1993, the transfer of students from public universities to community colleges had decreased to its 1990 level -- a level consistent with historical trends. However, the 1991 and 1992 "reverse" transfer students have not yet swelled the ranks of those transferring back to the public universities. Unfortunately, the current status of the Commission's statewide information system does not allow documentation of the educational outcomes for these students.

**Possible causes
for changes**

Many different factors contributed to these changes in participation. Unemployment increased in California from 5.1 percent to 9.1 percent. State General Fund support for postsecondary education decreased 12 percent, from \$5.6 billion in 1989-90 to \$4.9 billion in 1992-93. Undergraduate resident student fees increased an average of 80 percent over this same period. The Cal Grant Program -- the State's student financial aid program -- also failed to receive any substantial increase in appropriation despite a sharp increase in the numbers of students eligible for such aid. In addition, institutional decisions that reduced perceived opportunities to enroll were made in response to budget pressures. Reports of course reductions and large scale faculty retirements reinforced the perception that opportunities were curtailed. Thus, multiple factors contributed to the decrease in public college-going rates during this period.

What happened to the students who were expected to enroll in public institutions? Did they enroll in independent colleges and universities in California? While these institutions did experience a small increase in enrollments of recent California high school graduates, that increase accounted for less than 1,000 students.

Did these students enroll in postsecondary education institutions in other states? The popular press, which was filled with anecdotal evidence that sizable numbers of California's young people were being siphoned off by out-of-state colleges and universities, certainly suggests that was the case. Unfortunately, the timeliness of interstate student migration data is such that only in late 1995 have the data become available to understand this aspect of college enrollment patterns of 1992. The next section of this report provides an overview of the interstate postsecondary student migration patterns based on data from the National Center for Education Statistics (NCES).

**Changing
interstate tides of
undergraduates**

Historically, California has been a net importer of college students. The pattern of interstate migration of students in 1988 was typical of these historical trends. For every new undergraduate who left California to enroll in a college or university in another state in Fall 1988, two new out-of-state undergraduate students enrolled in a California institution, as Map 1 on the next page shows. Seventy percent of these incoming students were transferring from a postsecondary institution in another state.

At the freshmen level, the ratio of students entering California to those leaving was almost one-to-one -- 8,204 new freshmen entered California and 8,555 Californians left to be new freshmen at out-of-state institutions. However, 40 percent of these incoming freshmen were headed for a community college while over 90 percent of those leaving were headed for a baccalaureate degree-granting institution.

Just as the participation pattern within California changed between 1989 and 1992, the interstate flow of students also shifted dramatically between 1988 and 1992 -- the two most recent years for which this information is available. The most dramatic change over that period was the decrease in students entering California -- a decline of 10,000 students from other states choosing to enroll in California colleges and universities. Overall, the number of incoming new undergraduate students dropped from 27,328 in 1988 to 17,296 in 1992, as illustrated in Map 2. Trends that likely influenced this change include the national recession, public perceptions of the enrollment opportunities available in California, and California's transfer policy that gives California Community College students priority over other types of transfer students in the admission process at the State's public universities.

*Changing
composition:
freshmen vs.
transfers*

The collegiate destinations of these in-migrating students reinforces this explanation -- the proportion of students entering California who were transferring from an out-of-state postsecondary institution dropped from 70 percent to 29 percent, a decrease of more than 14,000 students (from 19,124 to only 5,040). During this same time period, the number of out-of-state students enrolling as first-time freshmen in California actually increased by about 4,000, from 8,204 to 12,226.

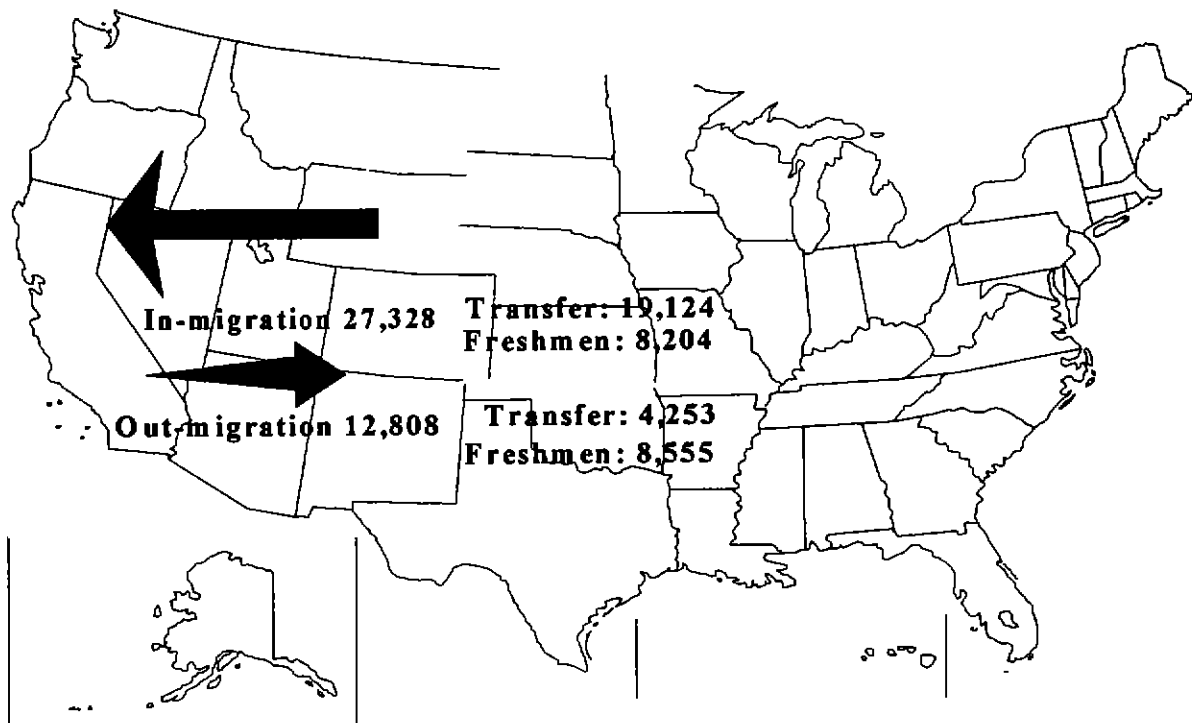
Interestingly, the number of recent California high school graduates leaving the state to enroll as first-time freshmen outside California also increased by approximately 4,000 students, maintaining the approximate one-to-one ratio of in-migrating to out-migrating freshmen. However, as noted above and as Maps 3 and 4 on the following page illustrate, the types of collegiate institutions these two groups of freshmen sought were substantially different.

*Institutional choice
among freshmen*

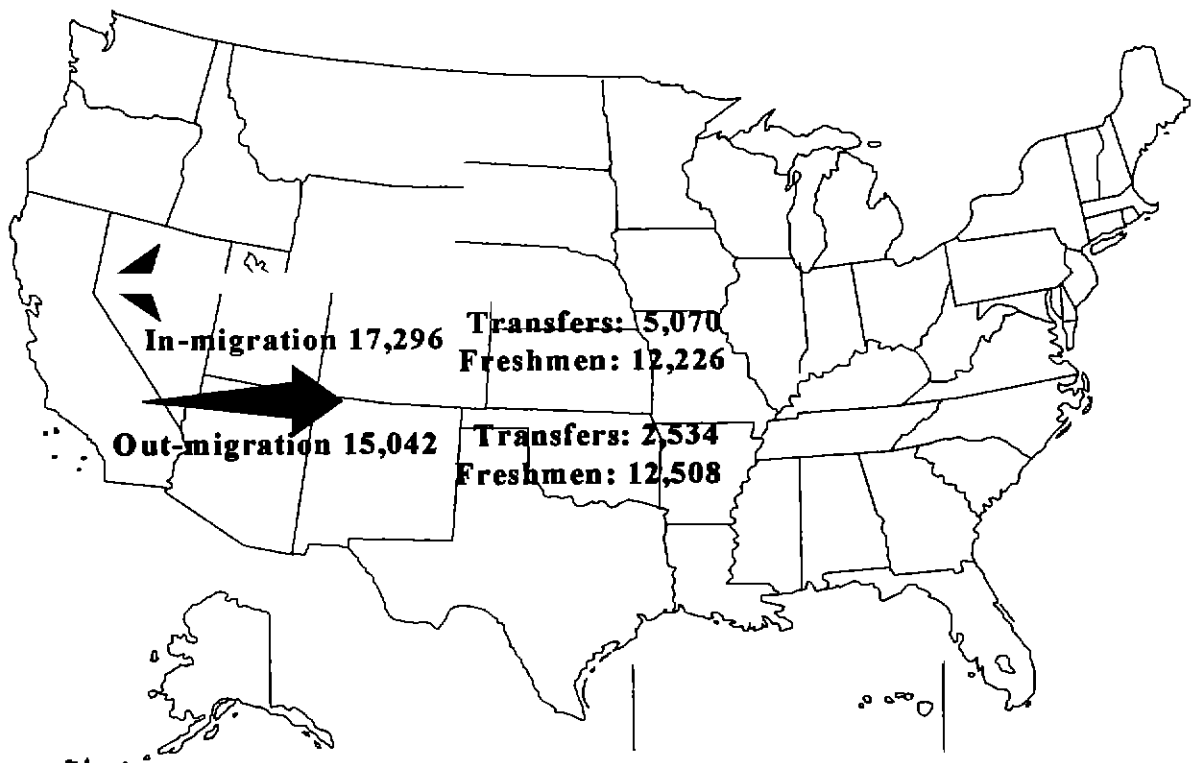
These increases in in-migration and out-migration were almost entirely situated at baccalaureate granting institutions. An increasing proportion of the in-migrating freshmen enrolled in baccalaureate institutions -- 75 percent in 1992 as compared to 61 percent in 1988. But California public institutional data clearly show that these freshmen were enrolling in the State's independent colleges and universities. Enrollment of first-time freshmen from outside of California declined at both the California State University and the University of California during this period.

Among recent California high school graduates in 1992 who left California for college, 92.5 percent chose to enroll in a baccalaureate degree-granting institution. This increase in the out-migration of 3,790 freshmen to baccalaureate granting institutions in other states may account for a substantial portion of the decrease in first-time freshmen enrollments at the State's public universities in 1992 and may have played some small role in the decreases at the community colleges.

Map 1: New Undergraduate Interstate Migration 1988



Map 2: New Undergraduate Interstate Migration 1992



However, nearly 4,000 potential post-secondary students cannot be accounted for with the available information

Unfortunately, the interstate student migration data for Fall 1994 will not be available until 1997. As a result, it is unclear whether the migration patterns of students observed in 1992 will persist or revert to an earlier pattern

**Some implications
of these changes
in student
participation**

Perhaps the approximately 4,000 potential students who did not enroll in a public college or university in 1992 are the pool of young people for whom the sticker and real cost of postsecondary education in 1992 exceeded their expected resources. They may have delayed entering postsecondary education in order to accumulate additional resources. Determining the number of these individuals who may never access higher education is beyond the capacity of the State's current information system. But reductions in the educational attainment of the State's population have substantial implications both for the tax-paying base of the State and for the quality of these individuals' lives.

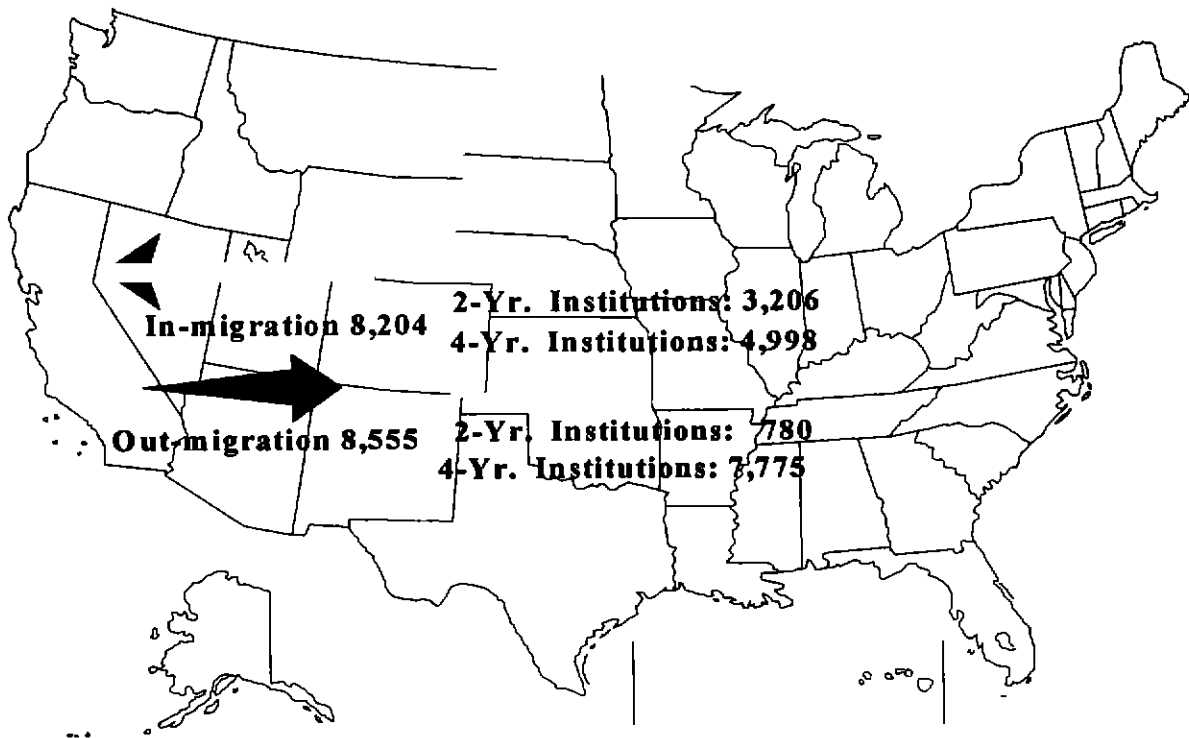
Current Population Survey data (U.S. Bureau of the Census) show clearly that the income advantage of a baccalaureate degree over a high school diploma is large and growing. A college graduate earned 34 percent more than a high school graduate in 1981, 47 percent more by 1990, and 65 percent more by 1994. This income differential has substantial tax-generating implications. California must plan to keep its educated workforce.

Awareness of the private economic benefits of the baccalaureate degree undoubtedly contributed to continued demand for a college degree by many students and their families, in spite of its increased cost. However, some public and State decision makers appear to have lost a full appreciation for the benefits to the commonwealth generated by maintaining and enhancing a college educated populace.

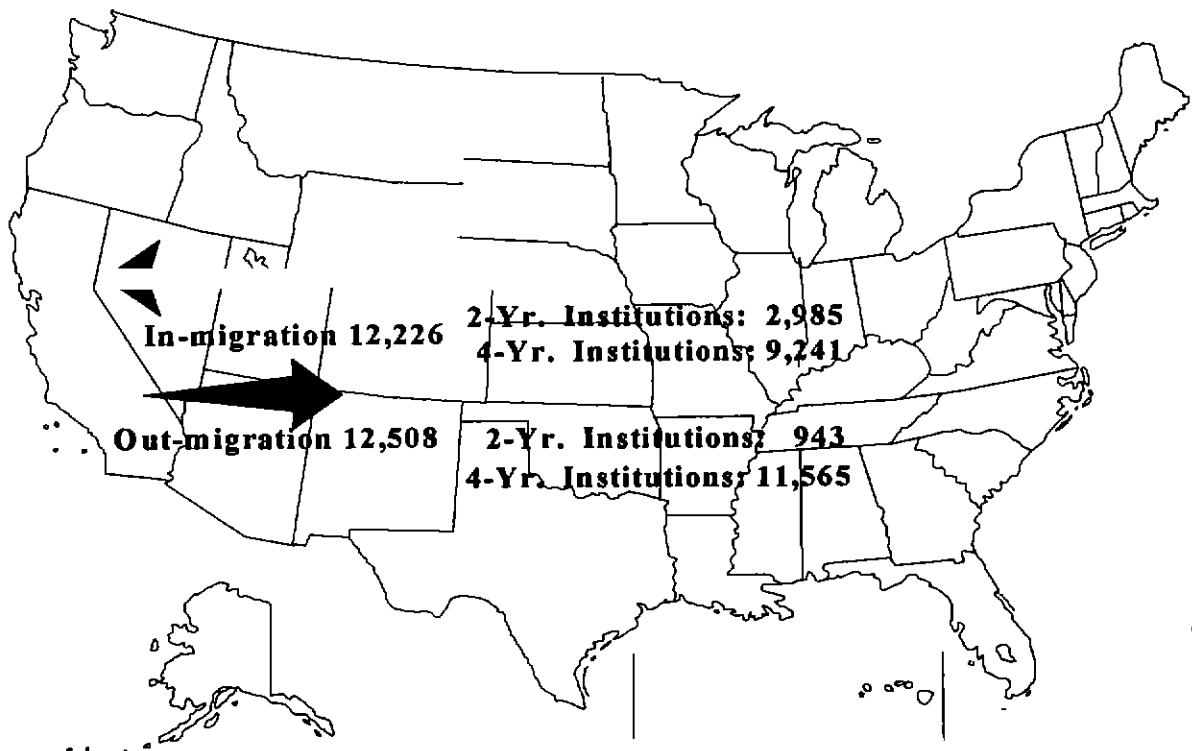
This broader look at student participation that includes actual interstate student migration data raises some important issues for California's educational policy makers.

- 1 In 1992, for every two California high school graduates who chose to enroll at a California State University or a University of California campus, one chose to enroll in a baccalaureate institution outside California. Clearly, for a subgroup of the college-going population, postsecondary options outside of California are viable alternatives. Because California is likely to encounter increasing difficulty in providing the same level of access to its citizens at its public institutions as it has in the past, are there public policies that should be developed to increase the proportion of the population who can utilize these alternatives?
- 2 Clearly, more timely and detailed information about the interstate flow of students would facilitate educational planning. The Commission is collaborating with the National Center for Educational Statistics (NCES), its National Postsecondary Education Cooperative, and the Western Interstate Commission for Higher

Map 3: First-time Freshman Interstate Migration 1988



Map 4: First-time Freshman Interstate Migration 1992



Education to improve the quality and timeliness of information about the movement of California students

- 3 Given the fact that California high school graduates choosing to enroll in out-of-state institutions are headed toward baccalaureate degree-granting institutions, California has a vested interest in seeking the return of these students to join its workforce after they have completed their educational studies. Any public policies developed to encourage high school graduates to take advantage of postsecondary enrollment opportunities in other states should also consider incentives to attract these students back to the state after completion of their studies

Promise and peril Some of California's golden promise has tarnished in recent years. The attraction of California postsecondary institutions for students in other states has waned to some extent and California students have increasingly chosen to access postsecondary educational opportunities outside of California. Whether these students will return to California to enrich its creative and tax-paying citizenry in the future or whether they are lost to California permanently after the State has invested so much in their elementary and secondary education remains an unanswered question. Failure to address the question of how to best preserve access to postsecondary education and retain college educated people within the state will imperil California's ability to regain the luster of its past -- a past in which it can rightfully take pride.

One issue remains central to California's future: restoring public confidence in the economic health and intellectual vitality of this state that has historically attracted people committed to being productive citizens and working hard to achieve their dreams. Our society has now evolved to a point where it is now obvious that ideas, and the ability to articulate and develop them, will be to nations in the twenty-first century what oil, timber, and steel were to countries in the nineteenth and twentieth century. Developing a well-educated labor force and stable society is as critical to California's future -- and to its ability to attract business -- as it has been to its past.

All Californians have a vested interest in assuring that new workers have every opportunity to succeed in the jobs that will be available in the next century -- jobs that by every indicator, will require more, rather than less, education. California's collective future is dependent upon maintaining access to educational opportunities. Because it is not realistic in the current fiscal environment to assume that such access can be afforded solely through public colleges and universities, the fact that some Californians can, and will, attend out-of-state institutions should lead to serious consideration of incorporating this option as part of a comprehensive strategy to preserve postsecondary education access. Likewise, increased use of capacity in California's independent colleges and universities should be part of any statewide plan to accommodate the enrollment demands expected as we enter the twenty-first century.

California's investment in postsecondary education opportunities has been unrivaled anywhere in the world. Greater acknowledgment of the promise these investments present for California, and the peril that the earlier disinvestment has engendered, should be of paramount concern to all of those who guide this State.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of March 1996, the Commissioners representing the general public are

Jeff Marston, San Diego, *Chair*
Ellen F. Wright, Woodside, *Vice Chair*
Elaine Alquist, Santa Clara
Mim Andelson, Los Angeles
C. Thomas Dean, Long Beach
Henry Der, San Francisco
Guillermo Rodriguez, Jr., San Francisco
Linda J. Wong, Los Angeles
Melinda G. Wilson, Torrance

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,
Gert Thomas, Albany, appointed by the California State Board of Education,
Philip E. del Campo, La Mesa, appointed by the Board of Governors of the California Community Colleges,
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University,
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and
Frank R. Martinez, San Luis Obispo, appointed by the Council for Private Postsecondary and Vocational Education

The two student representatives are

Stephen R. McShane, San Luis Obispo
John E. Stratman, Jr., Orange

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of Executive Director Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933.

CHANGES IN COLLEGE PARTICIPATION

Promise or Peril? -- Adding the Interstate Dimension

Commission Report 96-3



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

1995

- 95-9** *A Capacity for Growth. Enrollments, Resources, and Facilities for California Higher Education, 1993-94 to 2005-06* (August 1995)
- 95-10** *Financial Condition of Independent California Colleges and Universities. A Report of the California Postsecondary Education Commission* (August 1995)
- 95-11** *Fiscal Profiles, 1995: The Fifth in a Series of Factbooks About the Financing of California Higher Education* (August 1995)
- 95-12** *California Colleges and Universities, 1995. A Guide to California's Degree-Granting Postsecondary Institutions and to Their Degree, Certificate, and Credential Programs* (September 1995)
- 95-13** *The Effectiveness of California's Oversight of Private Postsecondary and Vocational Education: A Report to the Legislature and the Governor in Response to Education Code Section 94345* (October 1995)
- 95-14** *California Public College and University Enrollment Demand 1994 to 2005: A Report to the California Postsecondary Education Commission* (July 1995)
- 95-15** *Closing the Door . . . Needed Facilities for California's Colleges and Universities: A Report by the California Postsecondary Education Commission Executive Director Warren H. Fox* (October 1995)
- 95-16** *Student Profiles, 1995: The Latest in a Series of Annual Factbooks About Student Participation in California Higher Education* (October 1995)

1996

- 96-1** *California Postsecondary Education Commission Workplan, 1996 Through 2000* (February 1996)
- 96-2** *Performance Indicators of California Higher: The Second Annual Report to California's Governor, Legislature, and Citizens in Response to Assembly Bill 1808 (Chapter 741, Statutes of 1991)* (February 1996)
- 96-3** *Changes in College Participation. Promise or Peril? -- Adding the Interstate Dimension: A Report by the California Postsecondary Education Commission Executive Director Warren H. Fox* (February 1996)